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THE OREGON QUESTION.

THE BRITISH PROPOSITION FOR ITS SETTLEMENT.

Many of our readers will have seen, through newspaper correspondence and otherwise, before this paper reaches them, reports of the affirmative action of the Senate on the British proposition for a settlement of the Oregon controversy, submitted to that body for its advice by the President of the United States. We did not learn, in any authentic manner, the truth of those reports in time for our paper of Saturday last; but we now have the pleasure of stating that they were correct, and that the Senate did, on Friday evening week, by a majority of three-fourths of its members present, advise the President to conclude a Convention with England for the adjustment of the Oregon question according to the terms proposed by the Government of Great Britain and laid before the Senate.

If we are rightly informed, this proposition did not consist in general heads merely of an arrangement, but was, in effect, the full draught of a proposed Convention, which draught was assented to by the Senate without alteration.

This result, we doubt not, while it surprises many by its suddenness, will still highly gratify the great majority of reasonable and just men in the country; for it is understood that the general basis of the proposition is to make the forty-ninth parallel of latitude the boundary between the territories of the two countries, from the point on that parallel where the present boundary now terminates, to the middle of the sound or channel which divides Vancouver's island from the continent, and thence along the middle of that channel, and so southwardly and westwardly through the Straits of Fuca to the Pacific; the navigation of this sound or bay to be open to both parties; and the navigation of the Columbia river, up the main stream and up its north branch, to the forty-ninth parallel of latitude, to be free to the Hudson's Bay Company and British subjects trading with that company. On the whole, as we understand it, England has assented to terms not quite so favorable to her as were offered in Mr. GALLATIN'S proposition of 1827.

We doubt not that the arrangement will be found to be a just and equitable one, maintaining the honor and securing the essential rights of both parties; and this is just what it ought to be. Reasonable men in both countries will approve it, and good men all over the world will rejoice that War has been averted, and the amicable relations of two great leading Nations have been preserved. Certainly it is a blessing of Providence upon all mankind.

On Tuesday last, the President of the United States sent to the Senate for its advice and consent, a Treaty which he has concluded with the British Minister, for settling the Oregon controversy, and which is, we presume, in conformity to the terms mentioned above.

When we look back and review the progress of this question from the days of the Baltimore Convention and its ill-omened party resolutions, tracing that progress step by step to its present happy termination, many important reflections fill our minds. For these we have now neither time nor room, though they come thick and crowding. We stay our pen for the present, by putting one inquiry to our readers and to the country, and that is this: Were we wrong when, months ago, we snatched the words from the mouths of political assailants, and said, "LOOK TO THE SENATE!"

AN HONEST CONFESSION.

The government paper of Saturday night, in an article intended to operate upon scrupulous Representatives in Congress with reference to the Tariff question, says that "if any confidence is placed in the rumors of the day, and the Oregon controversy is to be adjusted, a new spring is to be given to the general employments of the country, commerce especially."

We trust that this confession will not be without its consoling influence upon those gentlemen who have been so anxiously engaged in laudable efforts to "prepare the heart of the people for war" with England.

The Charleston papers announce the death, on Saturday night last, of the Hon. HENRY MIDDLETON, in the 76th year of his age, formerly a Representative in Congress from the State of South Carolina, and for some years the Minister of this Government at the Court of Russia.

The Attakapas (Louisiana) Gazette mentions an extraordinary marriage that was celebrated in the Church of St. Martin, at 7 o'clock on the morning of May 23. The groom was ninety-one years of age, and the bride, in white robe and white veil, was in her one hundred and second year! Both, without serious infirmities, knelt down and made their first communion. A marriage promise had been made between them sixty-five years ago.

THE TARIFF.

The advocates of low duties upon the importation of Foreign Manufactures succeeded on Monday, in the House of Representatives, in getting up the bill reported some time ago in that body for a reduction of the Tariff of Duties on Imports. With desperate courage they rallied their whole force, and mustered so much stronger than we had supposed, that, were we by nature inclined to be suspicious—which we trust we are not—we might suppose that there was some understanding, in reference to the Oregon question, that, by way of equivalent for the concession by Great Britain in regard to the northwestern boundary, the Manufacturers of the United States are to be stripped of the protection which the laws have heretofore afforded them, and the products of Domestic Industry to be discouraged in favor of those of foreign workshops. We should, indeed, be somewhat alarmed for the numerous classes of our countrymen whose interests are involved in this measure, did we not remember that the race is not to the swift, nor the battle to the strong; that we have witnessed in our time many struggles in the House of Representatives on questions of this character, from the results of which we know that the party-vote to take up the question is far from being a decisive indication of its ultimate fate, even in the body in which it originates.

We cannot help thinking, however—if we may without offence freely express our minds—that the House of Representatives would be much more wisely, usefully, and, indeed, patriotically employed, if, instead of laboring at this moment to destroy the Whig Revenue System, which has for the last four years worked so admirably and prosperously for the country, it would seriously set about providing the ways and means, by loan or otherwise, for supplying the deficiency in the Treasury which will inevitably and very soon result from the expenses of the War in which the country now unexpectedly and unhappily finds itself engaged.

CHESAPEAKE AND OHIO CANAL.

So far from the speedy completion of this work being now certain, as we stated the other day upon the authority of the "Cumberland Civilian," it appears, from the following correction of its statement, which we copy from that paper of Tuesday last, that its completion is as far off as ever; for, if it depends upon money to be raised in the manner suggested, we have no confidence in its being ever accomplished. It is inconceivable to us how the holders of Maryland State stock can have hitherto failed to perceive their own deep interest in seizing this opportunity, by providing means to finish the Canal, of giving sterling value to these stocks.

FROM THE CUMBERLAND CIVILIAN.

THE CANAL.—The announcement in our last paper, that the money had been already obtained necessary to the completion of this work, was, to say the least, premature. The writer of this has had opportunity most ample to learn every thing in connection with the negotiation referred to, and, although he has the utmost confidence that what others have positively asserted will eventually be accomplished, he does not consider it either just or good policy to feed public expectation with too much excitement. There is good reason to believe that the contractors, Messrs. Gwynn & Co., will procure the money adequate to their wants, through the agency of the New York and Maryland Mining Companies. Still the negotiations cannot be hurried to a close at will, however pressing the necessity; and it is most probable that the result will not be made known for sixty or ninety days to come. If all is then effected for which we hope, we shall be abundantly satisfied. Let us therefore keep cool, and bide the time in patience. It will not certainly cost much effort, for our disappointments have been so many and so killing, that by this time, like the eels and the process of skinning, we are used to them.

THE MAGNETIC TELEGRAPH.

The Philadelphia Inquirer justly remarks that public opinion appears to be decidedly in favor of the Government becoming the owner of the various lines of the Magnetic Telegraph. Such an arrangement would, it is believed, give greater satisfaction; the lines would soon become systematized, the rates would be reduced, and the agents would be able to devote their whole attention, and in such a way as to ensure greater regularity. The various companies have already accomplished much, and they deserve great credit for their enterprise and perseverance; but such a vast engine of communication, so capable of being extended and improved, should be in the hands of the Government under proper regulations, and the rates should be placed at the lowest possible point.—*Baltimore American.*

THE EXPEDITION TO NEW MEXICO.

We learn from the St. Louis Republican of the 6th instant that a new order had been received in that city from the Lieutenant Governor of the State, (the Governor being absent,) the effect of which will be to arrest, for a time at least, the several companies of Mounted Rangers which have been organized at St. Louis to proceed to Santa Fe. The Republican says:

"It appears from this communication that the Adjutant General of the State has ordered more men than was called for by the War Department. In this dilemma, Governor YOUNG has felt it to be his duty to countermand the order of 24th May, for four hundred men from St. Louis, and to require only the raising of a battalion of artillery. The effect of this order is to arrest the march of the companies of mounted men, under the command of Captains FISCHER, HENSON, and EMMERTSON. This will be, unquestionably, a keen disappointment to them. They have gone on to comply with the order of the Adjutant General, have equipped themselves with commendable alacrity, and are now ready for service. To be stopped when all arrangements have thus been made, is not so agreeable to sanguine young men; but it cannot be helped, and they may as well patiently await the result of arrangements which may be made to get them into the service without delay."

The books for subscriptions to the Pittsburgh and Connellsville Railroad, to connect with the Baltimore and Ohio Railroad, were opened at Pittsburgh on Tuesday last, and all the stock taken on the first day, except one hundred and fifty-nine shares, which were laid over to the following day for want of time. The Gazette says that application will now be immediately made to the Governor for letters patent, and the road will doubtless be put under contract before the close of the present season.

A company of two hundred and thirty Indians, of both sexes and all ages, from the northwestern part of the State of New York, comprising portions of the Seneca, Stockbridge, Cayuga, Tuscarora, Oneida, Delaware, and Onondaga tribes, lately arrived at St. Louis, on their way to their new homes in the Far West, beyond the western boundary of Missouri.

THE TREASURY BUDGET.

In the following columns will be found the Message of the President of the United States, accompanied by a Report from the Secretary of the Treasury, in reply to a call by the Senate for the views of the Executive as to any probable deficiency in the Revenue, and the means of supplying it.

A deficiency in the Revenue, to an amount far exceeding the surplus in the Treasury, is, as every one must have anticipated, beyond any doubt. That deficiency is, we have just as little doubt in our own mind, underrated by our Minister of Finance. Instead of the deficiency for the fiscal year (that ending June 30th, 1847) being what is estimated, we believe, from our own observation and experience, that the whole amount of money proposed to be raised for the extra expenses of that year will not carry the Government on much further than the next meeting of Congress—that is to say, than December next. Congress will, however, be then in session, and the additional necessary provision of ways and means may be well deferred till that time.

As to the mode of raising the required additional revenue, it takes no conjurer to foretell that it will not be accomplished by the modification of the Import Duties proposed and recommended. If those modifications could be carried through Congress, and would produce the precise effects calculated upon by the Secretary of the Treasury, they could not be put into operation in time to meet the exigency. Other resources must therefore be looked to. The only other resource—for we place no reliance on additional revenue from the land fund, now that "annexation" has brought into market so much penny-cheap land—is borrowing. To that complex problem we must come at last. There are two modes of borrowing: the one in the form of loans, the other in that of Treasury Notes. Mr. Secretary WALKER proposes to combine the two; and we do not see what better can be done.

We trust, therefore, that, without wasting more time in unprofitable attempts to modify the Tariff, and impracticable efforts to tax the necessities of life now imported free of duty, Congress will forthwith authorize the loan and the issue of Treasury Notes, and relieve the Government from the painful and disreputable predicament in which, if we mistake not, the Treasury is likely otherwise to find itself before many weeks pass over our heads.

FROM THE RIO GRANDE.

The New York Courier and Enquirer states that it has various letters from the Army on the Rio Grande, of which it states some particulars as follows:

"Col. GARLAND, who pursued the flying Mexicans some sixty miles, taking a few stragglers, had returned to camp. Upon information, derived from various sources, it was thought in camp that it would be impossible, during the summer, for our army to march for any considerable distance into the interior of Mexico, whether from the want of water or from the rainy season, does not clearly appear. This was long since foreseen by General SCOTT, as appears from his recently published correspondence with the War Department. But the official newspaper, which takes upon itself the dictatorial supervision of all departments of the Government, and which has conquered all of Oregon or none for at least a hundred times since the campaign was opened, ridiculed the idea that troops were to be stopped, on their victorious march, by either flood or drought! The progress of the season, we are fearful, will sadly vindicate the sagacity and foresight of the distinguished soldier whose advice the Union so loftily disdains."

"It is mentioned in one of our letters that nearly all the oxen by which the two 18-pounders, commanded by Lieut. CHURCHILL, were drawn, were killed in the first of the two engagements. The great weight of the guns, and the want of proper cattle to draw them, prevented their taking a part in the second battle."

"The following is an extract of a private letter from an officer in the army, dated

"MATAMOROS, MAY 23.
"I went over the field after the battle of Resaca de la Palma, and the sight which met my eyes there was one which imagination can scarcely depict. Bodies of Mexican soldiers were lying about in every direction, some with their heads entirely or partly shot off, others without legs or arms, others with their entrails torn out. One man, a fine looking fellow, was lying on the ground with a cartridge in his fingers, having evidently been killed while in the act of priming his musket. I crept about on my hands and knees through the charnel, and at every few paces I would come across dead bodies; and at one spot I discovered the body of a beautiful Mexican girl, stalked through the heart. It is impossible to conceive who could have been guilty of this inhuman act. It is hardly necessary to say it is impossible that any American could have done it."

THE LATE NATIONAL FAIR.

Every one would suppose that this grand display of American genius and enterprise would have been regarded with pride and joy by every true-hearted American. To see these overwhelming proofs of the progress the country has made, and how independent foreign nations for the supply of our wants we have become, would be exactly what would warm every patriot heart. But we find, instead of such patriotic joy, the most lugubrious groanings on the part of the Government organ and organs of that ilk. The Union admits in its columns articles treating the whole display with ridicule and contempt, and can see in these demonstrations of American greatness and honorable competition with foreign enterprise nothing but a shilling show, with no higher character than a menagerie. When, a few weeks ago, a British agent exhibited his specimens of British manufacture in a room in the Capitol, the free-trade Locos were delighted; but when American manufacturers came forward to show what our country could do, the Locos turn upon them, and swear they smell a menagerie. Fine patriots, these Locofocos! Where is the British party? And who are the friends of American interests? (Frederician.)

This great National Fair was suggested by an exhibition of foreign goods under the auspices of a British agent. This agent of the Manchester manufacturers was suffered to make a display of British fabrics under the dome of the National Capitol, for the purpose of "humbugging the people's representatives into a belief that, if they would destroy our protective policy, the people could purchase articles made in England much cheaper than they now procure those manufactured in this country."

While the British exhibition was in progress, the government paper contained no articles sneering at it. The editor and the majority of the Locofocos at the seat of Government were in ecstasies, and thought that such an exhibition would cause the speedy downfall of the protective policy. (Louisville Journal.)

THE WAR.

A letter from Major General TAYLOR to Governor JOHNSON, written at Matamoros on the 27th ultimo, is published in the New Orleans papers. He says that "until more fully instructed as to the policy and intentions of the General Government, he cannot speak with any certainty of the amount of force that may be required." He says that "if the Government is contented with a simple occupation of the Rio Grande," his present force is quite sufficient. "If, on the other hand," he continues, "an invasion is contemplated, an additional force will be required, consisting, in part at least, of mounted troops. I have just learned that war has been formally declared by the United States against Mexico, and take for granted that Congress will at once adopt suitable measures for raising an additional military force. In this view of the case, I would respectfully recommend that no more volunteers be dispatched at present from Louisiana."

General TAYLOR concludes as follows: "In case I shall require an additional force of this description, which cannot be the case until proper depots of supplies and means of transportation are provided, I will not hesitate to make a call, feeling assured that it will be as promptly answered as before. In the mean time the organizations which have been already made will prove useful as the basis of future regiments or corps, should they be wanted."

MICHIGAN VOLUNTEERS.—The whole number of companies required from this State is already obtained. The ranks of some of them are not quite full, but are rapidly filling up. The promptness with which the call has been made is creditable to our State and especially to our volunteer militia. (Detroit Advertiser.)

Three companies of the first regiment TENNESSEE VOLUNTEERS left Nashville on Thursday week for New Orleans, four on Friday, and the remaining five were to leave on Saturday.

THE KENTUCKY VOLUNTEERS.—The remainder of the Kentucky volunteers, consisting of one regiment of infantry and one of cavalry, were to rendezvous at Louisville and be mustered into the United States service on the 8th instant. The following are the names of the field officers of these two regiments:

First Regiment of Cavalry.
HUMPHREY MARSHALL, of Louisville, Colonel.
EZEKIEL H. FIELD, of Woodford county, Lieut. Colonel.
JOHN P. GAIXES, of Boone county, Major.
Second Regiment of Infantry.
WM. R. MCKEE, of Lexington, Colonel.
HENRY CLAY, Jr., of Louisville, Lieut. Colonel.
CARLY H. FAY, of Boyle county, Major.

THE OHIO REQUISITION FILLED.

We find in the Ohio Press the following order, which we presume was by command of Governor BARTLEY, although that fact does not appear on its face. It appears that more troops have tendered their services to the Governor than are required to fill the requisition upon this State, and that the selection of such as are received will be made in a day or two, and the others discharged:

HEADQUARTERS OHIO MILITIA,
ADJUTANT GENERAL'S OFFICE,
COLUMBUS, JUNE 8, 1846.
I have the pleasure to report for the information of the militia of the State of Ohio that there have now been received at this office the official returns of the complete organization of more volunteer companies than will be required to fill the requisition of the War Department. As soon as it can be properly determined, (and not later than two days hence,) an order will be issued designating which of these companies will be received into service, and required to repair without delay to the rendezvous at Cincinnati.

B. W. BRICE, Jr.
A. D. C. and Asst. Adjt. General.

THE ILLINOIS VOLUNTEERS.

Yesterday morning (June 4) G. T. M. DAVIS, Esq., Mayor of Alton, had an interview with General BROOKS, the commander of this division, as to the reception of the troops now raising in Illinois, some of whom have already arrived at Alton, and other companies are on their way. At the first interview, General B., supposing his authority and the instructions sufficient to warrant him in doing so, determined to muster them into service on Saturday next, and to direct the necessary rations to be supplied to them; but, on a further examination of the requisition, he was forced to the conclusion that he has no authority to muster them into the service, and cannot do so until further instructions are received from the proper officer at Washington.

The instructions to Governor FORT, it seems, are only to raise and organize these regiments, and when so raised to report them to the Department at Washington; the regiments, when raised, to hold themselves in readiness to march at a moment's warning. Whenever their services are required, an officer of the U. S. army is to be sent to muster them into service. It is important that the volunteers should understand this, and, as far as practicable, avoid the expense and toil of leaving their homes until duty actually requires them to do so.

NEW ORLEANS, JUNE 6.

On Thursday last a party of forty-one chiefs and captains of various Prairie Indian tribes, under the care of Col. M. G. LEWIS, arrived from Fort Snelling, on their way to Washington, at which place treaties between them and their tribes with our Government, made at Council Bluffs on the 17th ultimo, will be ratified. They will thus have a fine opportunity of seeing our country, and its vast numbers of inhabitants, which will be very serviceable to them, as they now fancy themselves the greatest people in the world. Let them see the wonders of civilization, and understand the various comforts of Christian life and duties; they will go home recounting them, and "prepare the way of the Lord and make his path straight." The men are noble in frame, as they must be to exist amid their exposure and habits; the women are tolerably good looking, but they especially will perceive our superior customs; they will see the most natural state is that in which the faculties of art exert themselves.

The treaties with them were concluded by Col. M. G. LEWIS and Col. BUTLER, of South Carolina, who have shown great judgment by bringing their duties there to a close at this particular juncture.—*Corr. Charleston's Egle Gazette.*

FROM FORT LEAVENWORTH.—The steamer Tobacco Plant, arrived at St. Louis on the 7th instant from Port Leavenworth, which place she left on the 5th instant, brings intelligence that Col. KERNAN had dispatched two companies of dragoons to intercept a party of Mexican traders, about seventy miles out, who were conveying to Santa Fe a large quantity of arms and ammunition.

Col. K. had also learned that a party of Mexican traders had left Santa Fe for Missouri, and that Gov. ARMISTEAD had placed them under the escort of two companies of dragoons.

It was thought that a collision between Col. K.'s two advanced companies and the Mexican escort would be avoided.

ANOTHER SLAVER CAPTURED.—A correspondent of the Merchant's Exchange writes, under date of St. Helena, April 23, that a brig was lying at anchor at St. Helena, with "James Wilson, New York," on her stern. She was taken possession of by H. B. M. ship Acton, as a prize, having been found lying at anchor at a place called Kabenda, on the west coast of Africa, abandoned, and without crew, flag, or papers on board. She was fitted out for slaves. The vessel would be condemned in the Admiralty Court. The James Wilson was sold at Rio Janeiro, a short time since, to a Brazilian.—*Boston Journal.*

STATE OF THE FINANCES.

MESSAGE FROM THE PRESIDENT OF THE U. STATES.

The following Message was on Tuesday transmitted by the President of the U. States to the Senate: WASHINGTON, JUNE 16, 1846.

To the Senate of the United States.

In answer to a resolution of the Senate of the 3d instant, I communicate herewith estimates prepared by the War and Navy Departments of the probable expenses of conducting the existing war with Mexico during the remainder of the present and the whole of the next fiscal year. I communicate also a report of the Secretary of the Treasury, based upon these estimates, containing recommendations of measures for raising the additional means required. It is probable that the annual expenses incurred during the period specified may fall considerably below the estimates submitted, which are for a larger number of troops than have yet been called to the field. As a precautionary measure, however, against any possible deficiency, the estimates have been made at the largest amount which any state of the service may require.

It will be perceived from the Report of the Secretary of the Treasury that a considerable portion of the additional amount required may be raised by a modification of the rates of duty imposed by the existing tariff laws. The high duties at present levied on many articles totally exclude them from importation, whilst the quantity and amount of others which are imported are greatly diminished. By reducing these duties to a revenue standard, it is not doubted that a larger amount of the articles on which they are imposed would be imported, and a corresponding amount of revenue be received at the Treasury from this source. By imposing revenue duties on many articles now permitted to be imported free of duty, and by regulating the rates within the revenue standard upon others, a large additional revenue will be collected. Independently of the high considerations which induced me in my annual message to recommend a modification and reduction of the rates of duty imposed by the act of 1842, as being not only proper in reference to a state of peace, but just to all the great interests of the country, the necessity of such modification and reduction as a war measure must now be manifest. The country requires additional revenue for the prosecution of the war. It may be obtained to a great extent by reducing the prohibitions and highly protective duties imposed by the existing laws to revenue rates, by imposing revenue duties on the free list, and by modifying the rates of duties on other articles.

The modifications recommended by the Secretary of the Treasury in his annual report in December last were adapted to a state of peace, and the additional duties now suggested by him are with a view strictly to raise revenue as a war measure. At the conclusion of the war these duties may and should be abolished and reduced to lower rates. It is not apprehended that the existing war with Mexico will materially affect our trade and commerce with the rest of the world. On the contrary, the reductions proposed would increase that trade and augment the revenue derived from it. When the country is in a state of war, no contingency should be permitted to occur in which there would be a deficiency in the Treasury for the vigorous prosecution of the war; and, to guard against such an event, it is recommended that contingent authority be given to issue Treasury notes, or to contract a loan for a limited amount, reimbursable at an early day. Should no occasion arise to exercise the power, still it may be important that the authority should exist, should there be a necessity for it.

It is not deemed necessary to resort to direct taxes or excises, the measures recommended being deemed preferable as a means of increasing the revenue. It is hoped that the war with Mexico, if vigorously prosecuted as is contemplated, may be of short duration. I shall be at all times ready to conclude an honorable peace whenever the Mexican Government shall manifest a like disposition. The existing war has been rendered necessary by the acts of Mexico, and whenever that Power shall be ready to do us justice, we shall be prepared to sheath the sword and tender her the olive branch of peace.

JAMES K. POLK.

The following is the Report of the Secretary of the Treasury referred to in the preceding message: TREASURY DEPARTMENT, JUNE 15, 1846.

SIR: I have duly considered the resolution of the Senate of the 3d of June, 1846, together with the estimates of the Secretary of the Navy of the 9th instant and of the Secretary of War of the 13th instant, submitted by you to this Department, and respectfully report to you as follows:

It appears that the aggregate estimated expenditures of the War and Navy Departments for the fiscal year terminating on the 30th of June, 1847, and the 30th of June, 1847, amount to \$23,952,994 over and above the estimates made by these Departments in December last, and then submitted in my annual report to Congress. In that report it was supposed by this Department that, upon the expenditures then estimated for a state of peace, there would remain, on the 1st of July, 1847, a balance in the Treasury of \$4,332,441. Deducting this balance from the excess of expenditures above estimated by the War and Navy Departments, there would result a deficiency of \$19,620,463. It is believed, however, that this deficiency will, from augmented receipts, accrued and accruing for the fiscal years 1846 and 1847, be diminished four millions of dollars, which would reduce the deficit on the 1st of July, 1847, to \$15,620,463.

It is ascertained by experience, that for the certain, prompt, and convenient payment of the public creditors, at all times and places throughout our extended territory, and the supply of the mint and branch mints for coinage, a sum of four millions of dollars, especially during a state of war, must remain on hand in the Treasury, which would again raise the sum to be provided for before the 30th of June, 1847, to \$19,620,463. It is believed, however, that a sum equal to \$5,534,057 of additional revenue may be produced by the modification of the tariff herein proposed, namely: to adopt as a basis the bill reducing the tariff, reported by the Committee of Ways and Means to the House of Representatives on the 14th of April last, together with the augmented and additional duties now proposed and enumerated in schedule A. This change of the bill reported by the committee, omitting the fourth section, would make an addition to the revenue to be produced by that bill of \$4,057,000.

After a very careful examination of the additional data which it has been in my power to obtain since the month of February last, it is my conviction that the bill of the committee will produce a net revenue of at least twenty-six millions of dollars. If to this be added the additional duties proposed to be levied in schedule A, the bill of the committee, with the modifications embraced in that schedule, would produce a net revenue of \$30,634,057. This would make an addition of \$5,534,057 to the revenue that would be produced under the act of the 30th of August, 1842. If, then, we deduct this \$5,534,057 from the deficit above estimated, it would still leave a deficit of \$10,086,406.

If, in addition to the modification of the tariff above suggested, the warehousing system were adopted as recommended in my annual report of December last, it would make an addition to the annual revenue from customs of one million of dollars, which, deducted from the above deficit, would leave a deficiency still remaining of \$9,086,406.

It is true that the introduction of the warehousing system might diminish the revenue during a portion of the first year succeeding its adoption; but that it would add one million of dollars per annum to the permanent annual revenue from customs is not doubted.

It is believed also that the reduction and graduation of the price of the public lands in favor of settlers and cultivators, as recommended in my message of December last, would make an annual addition of half a million of dollars to the revenue, derivable from the proceeds of the sales of the public lands, by bringing into market many millions of acres of the public domain which are wholly unsuitable at the present minimum price established by law. Deducting this sum of half a million of dollars from the deficit last above mentioned, would leave still unprovided for the sum of \$12,586,406, which must be met by loans, Treasury notes, direct taxation, or excises.

In addition to the strong objections which have been urged against direct taxes and excises, it would be difficult to put in operation such a system in all the States and Territories so as to realize the required amount in cash before the 30th of June, 1847. A system of direct taxes and excises, it is believed, would not meet the sanction of the people, unless in the emergency of a war with some great maritime nation, exposing our commerce to great hazard, and greatly reducing the revenue from duties on imports.

The only remaining means for supplying this deficit within

the required period is by loans or Treasury notes; and I accordingly recommend, with a view to the most vigorous prosecution of the existing war with Mexico, so as to bring it to a speedy and honorable termination, that a contingent authority should be vested in this Department, with your sanction, to issue Treasury notes, or effect a loan of a sum in the aggregate not exceeding the last above mentioned deficit of \$12,586,406.

I think it would be most advantageous to the Government that a portion of this money should be raised by Treasury notes, and the remainder by loans, limiting the interest in both cases to a rate not exceeding six per cent. per annum, and forbidding the negotiation in either case below the par value. If the authorities were limited as to cover this deficit, and the power given to resort to loans or Treasury notes, or both, as the emergency might require, the money might be raised at a much lower rate of interest than if the Department were confined either to loans alone or to Treasury notes. The experience of the Government has demonstrated that there are periods when loans are most available, and that there are occasions when Treasury notes are much better adapted to meet the emergency; and the power to select both or either from time to time, would render the negotiation more certain, and probably save a very large amount of interest to the Government. If the war should be speedily terminated, it is possible that a resort to loans or Treasury notes might not be required; or, if so, for an inconsiderable amount. The same power that is now given by law to reduce the loan, even before its maturity, whenever the funds of the Government will permit, so as to liquidate any public debt as speedily as possible, should be continued; as also the authority for the resumption of the Treasury notes, as heretofore provided by law, as well as for their receipt revenue payment.

The additional duties designated in schedule A are recommended as a war measure, and to terminate with the restoration of peace, or as soon thereafter as the state of public finance will permit their discontinuance.

I have the honor to be, most respectfully, your obedient servant, R. J. WALKER.

To the President.

MEXICAN AFFAIRS.

The Editor of the New Orleans Picayune has obtained from Mr. DIMOND, our late Consul at Vera Cruz, (who sailed from that city in the United States steamship Mississippi on the 30th ultimo,) the following intelligence in relation to the public affairs of Mexico:

"Mr. Dimond informs us that Santa Anna's arrival was daily expected by many persons in Vera Cruz, and that the country was ripe for his reception. A plan of a new revolution had been published, based upon the constitution of 1827, upon which it was supposed the Federal and the Santa Anna parties would unite. The Federalists were unable to make head against the Government by themselves; but when joined by Santa Anna's adherents, the success of the two combined could be scarcely doubted. In this plan the Texas question was shrouded over—nothing being said about it. Mr. Dimond thought it quite probable that Santa Anna and Almonte would arrive at Vera Cruz by the next steamer from Havana—this, however, was doubted by some well-informed parties."

"The period for the general elections had passed, and it was not thought that a sufficient number of Congressmen were elected to form a quorum. Paredes is waiting for the meeting of Congress to get permission to leave the seat of Government at the head of 10,000 men—avowedly for the Rio Grande—but the better opinion seemed to be that this force was designed for his own protection."

"The death of the Archbishop was a heavy blow to the monarchical party. Upon his deathbed the ambitious prelate regretted that his life could not be spared to assist in consummating the schemes of that faction. With him the hopes of the monarchists have died."

"The Departments are pronouncing against Paredes in every direction. His heavy demands upon the churches and the States have rendered him more unpopular than before. It is not thought he can maintain his power for any considerable length of time."

"Mr. Dimond relates one or two circumstances which are extremely creditable to Gen. Bravo, who is in command of the forces at Vera Cruz. Shortly after the breaking out of hostilities a council of war was held, at which it was voted to seize the American vessels then in port as prizes. But Gen. Bravo would not abide by this decision. He allowed several vessels to depart with heavy cargoes, because, as he said, 'they had entered the port in good faith, and they should be allowed to depart in good faith.'"

"When Mr. Dimond got on board of the Mississippi there were several Mexican vessels anchored under the guns of the squadron, taken as prizes. Upon being told of the liberal conduct of Gen. Bravo, Capt. Gregory released the vessels, and sent them into port with a letter to Gen. Bravo, stating as a reason for his so doing that he had allowed American vessels to depart unmolested from Vera Cruz. Gen. Bravo sent an answer to Captain Gregory the next day, under a flag of truce. In this note, which we have seen, Gen. Bravo disclaims any title to prize for his conduct upon the score of magnanimity, but modestly places his actions upon the broad grounds of national law and sanctity of private property belonging to innocent parties. In this connection, too, we may mention that Mr. Dimond received every attention and courtesy from Gen. Bravo and the Collector of Vera Cruz prior to his departure."

"The Castle of San Juan de Ulua is represented to be in the highest state of preparation. A water battery has been erected in connexion with the old fort, and they mount between them two hundred guns of the largest caliber."

"Recruiting for the army was going on at Vera Cruz; but only a few men, and those of the lowest sort, were found willing to enlist. In the city of Mexico Government exiles arrived frequently from the army; but, as nothing of their contents were allowed to transpire of late, the impression was that the Mexicans had met with disaster."

"In regard to the large English squadron in the Pacific, Mr. Dimond is of the opinion that these vessels had been sent out with reference to the Oregon question. He does not think it probable that they have any instructions respecting the war with Mexico or the seizure of California in consequence of the war."

"Mr. Dimond, previous to leaving, drew up and forwarded to the Mexican Government a remonstrance against the order requiring our citizens to leave within eight days or withdraw into the interior. The sixteenth article of the treaty between the United States and Mexico provides that, in case of war, the citizens of each country living on the seaboard shall be entitled to six months' and those residing in the interior to twelve months' notice to leave the country."